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AMERICAN RAILROADS NOT BANKRUPT

That American railroads not only are not bankrupt, but actually have fared as well as other types of American business during the depression years was the contention of Congressman Francis Culkin in an address before the House on March 1, 1939.

Figures were submitted by Mr. Culkin to show that over a period of nine years (1929-1937 inclusive) the net operating income of American railroads, based on the exaggerated valuation of \$26,063,472 adopted by the President's Committee of Six, was sufficient to pay a return of 2.5% on the investment. If the valuation of \$20,340,000,000 adopted by the Interstate Commerce Commission and accepted the rate of return is considerably higher. During the years 1936 - 1937 the net cash income of the railroads was \$1,277,460,549 from approximately 18 billion dollars worth of stocks and bonds actually in the hands of the public. This was an annual yield of 3.45 percent. The actual sums disbursed in dividends from 1930 to 1937 inclusive were as follows:

1930	\$497,024,912
1931	330,150,873
1932	92,354,322
1933	95,725,783
1934	133,418,896
1935	126,282,306
1936	169,829,290
1937	167,902,034
	\$1,612,688,416

During the period 1926-1937 railroad stocks increased by \$238,398,000, despite abandonment of 15,277 miles of track. During the prosperous years 1926-1929 inclusive the railroads disbursed over \$1,700,000,000 in dividends to stockholders, but increased their bonded indebtedness more than 63 billion dollars.

WHO GOT WHAT

Political scientists are fond of describing their science as the method of determining "who gets what, why, and when". The National Resources Board has recently published Consumer Incomes in the United States showing the distribution of national income among the 29,440,000 non-relief families of the nation. For convenience the families are divided into tenths, each tenth representing 2,944,000 families. According to this showing national income in 1935-36 was distributed as follows:

The top tenth got	17	billion
The next tenth got	7	billion
The next tenth got	5	billion
The next tenth got	4 $\frac{1}{2}$	billion
The next tenth got	3 $\frac{1}{4}$	billion
The next tenth got	3	billion
The next tenth got	2 $\frac{1}{2}$	billion
The next tenth got	2	billion
The next tenth got	1	billion
The lowest tenth got	886	million

Now national income divided into tenths:

145,000 families got a tenth
588,000 families got a tenth
1,176,000 families got a tenth
1,764,000 families got a tenth
2,131,000 families got a tenth
2,597,000 families got a tenth
3,085,000 families got a tenth
3,822,000 families got a tenth
4,998,000 families got a tenth
9,261,000 families got a tenth

The most prosperous three-tenths had incomes of \$3,300 and above, the middle three-tenths had incomes ranging from \$1,725 to \$3,300, the next three-tenths had incomes from \$820 to \$1,410. The bottom one-tenth (9,261,000 families) had incomes of under \$820. Of the lowest income group, 105 out of every one thousand received less than \$500. (From Labor Information Bulletin, Nov. 1938.)

WAR MATERIALS SALES TO FOREIGN POWERS

Senator Barkley, in the course of a debate in the Senate on March 7, 1939 read into the Record the list of sales of American munitions manufacturers as reported to the Munitions Control Board in each of the three years since that agency was established as a part of the Neutrality Act. For the year ending-November 30, 1936 - the following were the principal purchasers:

Argentina	\$ 2,922,369
Australia	588,000
Canada	754,000
China	7,547,653
Czechoslovakia	337,000
(France	260,000
(French West Africa	334,000
Germany	502,000
Great Br. & N.Ireland	348,727
Greece	1,100,000
Italy	452,000
Japan	1,176,000
Mexico	733,000
The Netherlands	1,015,000
Netherlands Indies	1,505,000
Siam	786,000
Uruguay	1,330,000
Total	\$25,050,998*

Second annual report, Nov. 30, 1937

Australia	\$ 5,619,000
Austria	1,077,000
Brazil	1,911,000
Canada	2,595,000
China	8,338,000
Czechoslovakia	507,000
Germany	1,042,000*
Great Br. & N.Ireland	1,940,000
Japan	1,773,000
Mexico	2,697,000
(The Netherlands	2,535,000
(Netherlands Indies	3,686,000
Rumania	1,749,000
Siam	1,053,000
Switzerland	791,000
Turkey	4,971,000
Russia	12,446,000*
Total	\$ 45,076,316

Third annual report, Nov. 30, 1938

Argentina	\$ 7,219,000
Brazil	2,627,000
Canada	3,171,000
China	9,180,000
Czechoslovakia	156,000
France	6,446,000
Germany	189,000
Japan	9,241,000
Mexico	1,091,000

(The Netherlands	2,357,000
(Netherlands Indies	10,053,000
Peru	1,227,000
Poland	703,000
Rumania	663,000
Siam	765,000
Turkey	595,000
Russia	2,263,000*

Total \$94,209,532

*Includes purchases not enumerated.

Total Munitions Exports as shown by licenses issued by Munitions Control Board, Nov. 30, 1935 - Nov. 30, 1938:

Nov.30,1935 - Nov.30,1936	\$25,050,998
Nov.30,1936 - Nov.30,1937	45,076,316
Nov.30,1937 - Nov.30,1938	94,209,532
Total	\$164,336,846

The Powers to whom the largest sales were made during this period are:

China	\$ 25,065,653
Netherlands & poss.	21,151,000
Soviet Russia	14,709,000
Britain & possessions	12,942,000
Japan	12,190,000
Argentina	10,141,369
France & possessions	7,432,000
Mexico	4,541,000
Germany	1,733,000
Total	\$109,905,022

Sales to Germany, which were over a million dollars in 1937 (principally airplane engines and parts) fell to almost nothing in 1938, due to the fact the Pratt and Whitney airplane engine company licensed the Bavarian Motor Works to manufacture Pratt and Whitney engines in Germany. Again an American manufacturer licenses another country to use our materials. In case of war in Europe Pratt & Whitney would receive royalty on all engines made by Bavarian Motor Works.

Figures reveal that we have sold to China more than twice as much as to Japan in the past three years. Japan's purchases have been chiefly scrap iron, airplane engines and parts, and oil.

It is almost possible to note the 'hot spots' in the world for the past three years by noting munitions purchases - China, Japan, Soviet Russia, France, Germany, Great Britain. South American tensions are indicated by the purchases of Argentina, Brazil, Peru, and others. Significantly absent, except for a \$452,000 purchase in 1938, is Italy.

(continued on page three)

ON THE SOCIAL FRONTIERS

A poll of 10,000 American editors as recently been undertaken by a Washington newspaper to secure a digest of editorial opinion on two questions:

1) "Are we being eased into war?" and
2) "Should the President promote the sale of military aircraft without approval?". On March 2, 1939 Senator Nye had printed in Congressional Record a report of returns on 1,633 answers showing that 1,060 editors voted "Yes" and 574 "No" on the first question and 323 "Yes" and 1,305 "No" on the second. Further tabulations will be released as returns come in.

The following figures show farm income in the United States for the past seven years. Compiled by the New York State Conference Board of Farm Organizations:

1932	\$ 7,500,000,000
1933	9,100,000,000
1934	10,400,000,000
1935	12,000,000,000
1936	13,500,000,000
1937	13,900,000,000
1938	10,600,000,000

Reports emanating from the German embassy that American consumer cooperatives had entered into barter agreements with German interests to ship American wheat, lard and other agricultural products to Germany in return for farm machinery and other manufactured products is denied by officials of the operative League of the U.S.A. Petroleum co-ops in this country are shipping lubricating oils to cooperatives in Scotland, France, Belgium, Bulgaria, Rumania, and Canada, but their representatives went on record at their annual meeting a year ago to ship no goods to any aggressor nation.

The Swedish government has budgeted the sum of 3,000,000 crowns for the fiscal year 1930 - 1940 for temperance work. The sum of 378,300 crowns will be devoted to preventive work, subventions to temperance organizations for educational work, another 334,000 crowns to aid local and provincial temperance committees, and 2,219,000 crowns for claiming inebriates by placing them in special homes.

On July 1, Cleveland City Hospital will take on a Negro as junior resident surgeon and two Negro interns. All the outstanding graduates in medicine.

War Materials Sales (continued)

The Netherlands fear of German attack at home and Japanese conquest of her East Indian possessions is reflected in \$21,151,000 worth of purchases in the past three years. Both are now regarded as distinct possibilities in the near future. Mexico's \$4,451,000 purchases may represent advance preparations against the Cedillo revolt. At any rate, American war materials manufacturers are already reaping their bloody profits.

WHO HAS THE WORLD'S GOLD SUPPLY?

Wars are fought by armies, navies, and air forces, but back of them must be finances. Wars are expensive pastimes and the nations with the most gold, other things being equal, will win. It is interesting to note where the world's gold supply now rests. This may tell the tale, if and when war comes. The figures are from the Federal Reserve Bulletin, December, 1938 and the figures are as of September and October, 1938, except as noted.

United States	\$14,511,225,000
(United Kingdom	2,690,000,000#
(Equalization Fund	758,000,000
(British India	274,000,000
(South Africa	220,000,000
(Canada	188,000,000
France	2,428,000,000
Netherlands	1,008,000,000
Switzerland	695,000,000
Bank of Internat'l	
Settlements	10,000,000
Belgium	562,000,000
Spain	525,000,000
Sweden	321,000,000
Italy	210,000,000
Rumania	129,000,000
Argentina	435,000,000
Japan	164,000,000
37 other countries	1,074,000,000*
	\$25,756,940,000

Does not include all British possessions.

* German gold reserve reported down to \$28,000,000 in March 1939. (Notes not part of report.)

"Give me your tired, your poor,
Your huddled masses yearning to breathe free

The wretched refuse of your teeming shore
Send these, the homeless, tempest-tost to me

I lift my lamp beside the golden door."
(inscription on STATUTE OF LIBERTY)

U.C.M.S. HITS ANTI-SEMITISM

The Board of Trustees of The United Christian Missionary Society views with deep concern the increasing manifestations of the growth of racial animosities in our world. Anti-Semitism has raised its frightful head in Europe and there are increasing evidences that this sinister spirit is being deliberately fostered and propagated by organized groups in our own beloved land, some of whom presume to speak in the name of the Christian church. As Christians we utterly repudiate any such doctrine and declare it to be foreign to the teachings of Jesus and repugnant to his spirit. We hold with the Oxford Conference that "national egotism tending to the suppression of other nationalities or minorities is, no less than individual egotism, a sin against the Creator of all peoples and races" and that against this sin "the Church is called by God to set its face implacably and to utter its word unequivocally, both within and without its own borders."

We therefore urge all our brethren to regard persons of all races and colors as sons and daughters of God, differing in color, in customs, and outlook, but of one brotherhood in God's love and grace, and to oppose by all means at the command of Christians every effort to fan the flames of racial hatred against Jews, Negroes, Orientals, and other racial, national, and religious groups. We urge instead that there be demonstrated toward all peoples that spirit of love and brotherhood which Jesus Christ exemplified in his life and teaching.

(Based on the Oxford Conference Report on Race.)

NEW CHILD HEALTH PUBLICATION

Publication of a new folder, "Well-Nourished Children," is announced by the Children's Bureau of the U. S. Department of Labor.

Prepared by the Children's Bureau in cooperation with the Bureau of Home Economics of the U. S. Department of Agriculture, the folder deals with the food for all the children in the family except the baby under one year old. The folder is published at this time for the benefit of those communities that are placing emphasis on nutrition in the celebration of May Day - Child Health Day 1939.

JAPAN STILL FAR FROM HER GOAL IN CHINA

After 20 months of warfare Japan is still far from her goal in China, says the American Section of the World Alliance for International Friendship through the Churches and the Church Peace Union in their jointly issued Newsletter for March, 1939. Military observers in Shanghai, they say, estimate that it would require an additional half million soldiers to clear four provinces of Chinese troops and to hold territory already occupied. The deeper Japan penetrates into China the more elusive becomes the goal of conquest. In addition to the above information travelers returning from the Madras Conference via China report that the Chinese moral is holding up steadily and that there is every evidence of faith in eventual victory.

Mounting costs of the adventure are proving to be a grave strain on Japan's economic structure. Her gold reserve as of last October was \$164,000,000, against which must be counted the national debt of 16 billion yen (approximately \$8,000,000,000) at the end of 1938. Three - fourths of Japan's gold reserve has been exported during the past two years, most of it to the United States. Lack of foreign exchange has sharply curtailed imports. There was a loss of a billion and a half yen in Japanese trade in 1938 as compared with 1937. Exports fell off 12.7% and imports dropped 28.3%. Curtailment of imports was made necessary in order to maintain a favorable balance of trade. Imports from the United States were 30.5% less than in 1937 and exports to the United States dropped 37%. The severity of the financial strain is shown by an increase of 20% in note circulation and an increase of one - third in the nation's bonded indebtedness.

CHINA RELIEF

The crucial time in China relief problems is the four spring months when grain from the fall harvests is exhausted and winter wheat is not yet ripe. Even weeds, the people's last resort for food, do not have sufficient growth to give substantial help till late spring. Send to Church Committee for China Relief, 105 East 22nd Street, New York City for free envelopes for taking offering.